

TELLURIDE HOUSING AUTHORITY
Subcommittee

FRIDAY, MAY 16, 2014 10:00 AM
REBEKAH HALL 113 W. COLUMBIA

- I. CALL TO ORDER
- II. PUBLIC DISCUSSION
- III. APPROVAL OF MINUTES
- IV. ACTION ITEMS
 - 1) Consideration of a request by Sean Murphy for an exception to Section 203.4 Household Size of the Telluride Affordable Housing Guidelines (TAHG).
 - 2) Worksession to discuss and provide direction regarding reducing Element 52 Unit E1 from a 3 bedroom unit to a 2 bedroom unit.
 - 3) Consideration of a request by Jon and Lela Martin to change the unit size of Gold Run Lot 3B also known as 950 E. Colorado Ave. and receive a new price. This item is not covered in the Telluride Affordable Housing Guidelines (TAHG) and requires several other steps before they can begin construction.
- V. OTHER BUSINESS
- VI. ADJOURN

TELLURIDE HOUSING AUTHORITY
Subcommittee

FRIDAY APRIL 4, 2014 10:00 AM
REBEKAH HALL 113 W. COLUMBIA

I. CALL TO ORDER

The meeting was called to order by Chairman Fraser at 10:00 am.

Roll Call: Stu Fraser, Thom Carnevale, and Kristen Permakoff (arrived at 10:01 am)

Staff present: Shirley Diaz, Regional Housing Authority Executive Director; Greg Clifton, Town Manager; Cindy Chapin, Town Legal Assistant; and Deborah Gesmundo, Recording Secretary

II. PUBLIC DISCUSSION

No public comment was received.

III. APPROVAL OF MINUTES

March 20, 2014

MOTION

Subcommittee member Carnevale moved to approve the Telluride Housing Authority Subcommittee minutes for March 20, 2014 with the addition of two conditions in the direction given regarding the Solar Panel Program discussion per the email from Lance McDonald, Program Director (Exhibit III.a).

SECOND

Subcommittee member Permakoff seconded the motion.

VOTE

A roll call vote was taken and passed, 3-0.

IV. ACTION ITEMS

- 1. Consideration of a request by Matt & Kiera Skinner to change the unit size of Block 24, Lot G also known as 931 E. Colorado Ave., and receive a new price. This item is not covered in the Telluride Affordable Housing Guidelines (TAHG).**

Shirley Diaz, Regional Housing Authority Executive Director, introduced the topic and also responded to questions asked of her by the Subcommittee. She noted that the Skinners closed on the property the day prior and are now contemplating an addition of a third bedroom to the unit. She then explained her methodology for calculating a new maximum sales price so that it still maintains affordability. She used a targeted Area Median Income (AMI) of 110% for a 3-bedroom Telluride Family Housing unit for a family of four, and also took into account the recent decrease in HUD AMI values as well as a 7% interest rate and a 30% maximum allowable housing payment based off of gross income. Cindy Chapin, Town Legal Assistant, confirmed that the THA Subcommittee could hear the request and clarified it is not a request for an exception to the guidelines but rather for consideration of a matter that the guidelines do not address. The legal department did not have time to consider any other issues that might be relevant to the request. Further, this is a matter of policy rather than a legal question. Greg Clifton, Town Manager, then spoke to the affordable housing guidelines and affordable housing as a whole. He noted that that

there should be some flexibility instilled into the policies as it would be an endless endeavor to keep up with every possible type of exception that could potentially present itself.

Matt Skinner, the owner of the property, spoke to the possibility of having a review of the affordability of the unit at some future time interval, in lieu of being limited in its ability to appreciate alongside the rest of the neighborhood in the same price range.

MOTION

Chairman Fraser moved that the THA Subcommittee moves to allow an addition to the unit altering it from a 2- to a 3-bedroom unit based upon the following compelling reason: 108.C.3, and recommends the following conditions:

- The new price will be set at \$370,872, and shall be re-calculated every three years based on the AMI at 110% and the calculation as written in the guidelines;
- Any capital improvement will need to be presented to the THA subcommittee to review in order to be added to the price of the unit;
- The Town Attorney's office shall prepare a document to be recorded regarding the new pricing and the change in how capital improvements will be determined;

SECOND

Subcommittee member Permakoff seconded the motion.

Subcommittee member then Permakoff stated for the record, "I really hope you don't come back with an exception that you haven't sold it in a year."

AMENDMENT

Chairman Fraser amended his motion to strike the third condition.

The amendment was accepted by Subcommittee member Permakoff.

VOTE

A roll call vote was taken and passed, 2-0, with Subcommittee member Carnevale abstaining.

Direction was then given to the applicant to meet again with the Subcommittee in six months' time if their Fairway Four unit has not sold or is not under contract.

V. OTHER BUSINESS

The next THA Subcommittee meeting is scheduled for Friday, May 16th, at 10:00 am.

VI. ADJOURN

The meeting was adjourned by unanimous consent at 11:07 am.

Respectfully submitted,

Deborah Gesmundo
Boards and Commission Secretary

SAN MIGUEL REGIONAL HOUSING AUTHORITY

820 Black Bear Road, Unit G-17 P.O. Box 840, Telluride, CO 81435
Tel: 970-728-3034 Fax: 970-728-5371; e-mail: smrha@telluridecolorado.net web: www.smrha.org

TO: THA Subcommittee
MEETING DATE: May 16, 2014
FROM: SMRHA
DATE: May 13, 2014

RE: Sean Murphy exception request
ATTACHMENTS: Exception application

Purpose

Consideration of a request by Sean Murphy for an exception to Section 203.4 **Household Size** of the Telluride Affordable Housing Guidelines (TAHG).

Overview

Sean Murphy (Applicant) submitted an application to purchase Element 52 Unit E1. The unit is a Tier 1, 3 bedroom deed restricted unit and therefore, Sean as a 1 person household does not qualify to purchase a 3 bedroom unit. Sean qualified under all other criteria in the Guidelines. The Guidelines were changed years ago to attribute a household minimum size in order to avoid a 1 person household from obtaining a large unit either by lottery or sale from an owner, when it is meant to accommodate a larger household.

This Element 52 unit was a completed free market 2 bedroom unit and then the living room had a 3rd bedroom carved out of it. SMRHA has been advocating to interested parties that it is a great 2 bedroom unit and they should research the potential for converting it back to a 2 bedroom unit. Sean is the first person to view the unit and pursue purchase of it. He does intend to follow the procedures, after closing, for converting it to a great 2 bedroom unit.

Today, the only consideration is permission for him to purchase as a 1 person household. There have been no other applicants for the unit and it has been available to the public for purchase since December of 2010.

Excerpts from Guidelines

Section 203 ADDITIONAL ELIGIBILITY CRITERIA

203.4 **Household Size:** The total number of people in a Household shall not be less than the Minimum Household Sizes as set forth below:

| Unit Type: | Minimum Household Size: |
|------------|-------------------------|
| 1 Bedroom | 1 person |
| 2 Bedroom | 1 person |
| 3 Bedroom | 2 persons |
| 4 Bedroom | 3 persons |

Recommended Language for THA Subcommittee

- 1) The THA Subcommittee cannot grant an exception to Section 203.4 because we found no compelling circumstances.

OR

- 2) The THA Subcommittee grants an exception to Section 203.4 based upon the following compelling reason: (108.C.2) and recommends the following conditions:
- The Applicant will continue to meet all of the continuing qualifications;
 - Any other occupants will apply and be approved prior to occupying the unit; and
 - The Town is authorized to execute an exception agreement as prepared by the Town Attorney's office if needed.

Section 102 GENERAL POLICY GOALS

- 102.1** The general goal of all Programs covered by these Guidelines is to provide affordable housing for persons who make a living primarily from Employment within the boundaries of the Telluride R-1 School District and their families. This is accomplished primarily by regulating occupancy and sale of the Housing Units covered by the Guidelines to "Qualified Households" as defined herein.
- 102.2** Certain Programs also limit initial eligibility for ownership or occupancy to Qualified Households that meet specific economic means tests which may include both Household Income and Household Net Assets. Such tests of economic means are intended to promote economic diversity within the Telluride community.
- 102.3** Many of the Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for both the current Household occupying the Housing Unit and for the long-term affordability of the Housing Unit in the future as part of the overall housing program of the Town of Telluride and the Telluride Housing Authority.
- 102.4** These Guidelines are intended to provide for clear, fair and consistent administration of the housing programs to which they apply. It is recognized that there are individual Households or Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception, Appeal and Grievance processes have been included in the Guidelines.
- 102.5** **DISCLAIMER:** The Town of Telluride expressly disclaims any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. The Town of Telluride does not represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any Housing Units pursuant to these guidelines or under any other programs. No applicant may rely upon any promise implied or express that Housing Units shall be constructed, financed or otherwise produced, in whole or in part, by the Town of Telluride. In no event shall the Town of Telluride be liable to any applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

Section 108 EXCEPTIONS, APPEALS AND GRIEVANCES

- C. **Standards for Review of Exception applications:** Applicants desiring an Exception should demonstrate and the THA Subcommittee must find that the Exception meets one or more of the following review standards:
1. Promotes greater affordability through:

- i. decreasing the long term operating and maintenance costs of the Housing Unit in question;
 - ii. enabling the Applicant to take advantage of a financing opportunity that would not be available without the Exception; and/or,
 - iii. protecting the long term affordability of the Housing Unit through a price control or other similar means;
2. Promotes or recognizes long term commitment of the Applicant to residency, employment and community involvement within the boundaries of the R-1 School District or provides housing for a critical community need;
3. Provides increased livability or durability in materials, finishes, fixtures or appliances or useful increased square footage (which shall not include "luxuries" or significantly exceed standards set in recent Town-constructed Housing Units);
4. Creates living space for an additional member of the Household while maintaining the income targeting for the Housing Unit;
5. Enables a Household to own and occupy a Housing Unit more suitable to the Household's needs;
6. Meets currently adopted Town of Telluride Goals and Objectives, or Land Use Code or Master Plan provisions related to Affordable Housing; and/or,
7. Enables the Household to respond to life circumstances that arise beyond the reasonable control of the household (such as need to care for an Elderly or Disabled Household member).

In addition, all Exceptions must meet the General Policy Goals described in Section 102 above.

EXECUTIVE SUMMARY

I moved to Telluride two years ago to establish a new business in a community I had long admired. I would now like to purchase a home in town where I can be close to my business and avoid the prospect of having to move whenever a landlord decides that he or she has alternative plans for my housing space.

I would like to purchase Unit E-1 in the Element 52 development. Unit E-1 is currently classified as a three-bedroom unit and my Household Size of one person would generally preclude me from purchasing a unit of that size. However, the room designated as the “third” bedroom in Unit E-1 fails to meet the Town of Telluride’s building code definition of a “bedroom” because it has only one means of ingress/egress (i.e., it lacks a window or second entry door).

I ask that the THA Subcommittee grant an Exception allowing me to purchase Unit E-1. I meet all the requirements to do so, except for my household size. I have made a significant personal and financial commitment to become a member of the Telluride community during the past two years, and I would now like to cement my roots in Telluride with the purchase of a home in town.

REQUEST FOR EXCEPTION

An Exception to the Guidelines is appropriate in my case for the following reasons:

- (1) I qualify under the General Policy Goal as an individual who is making his living from Employment within the boundaries of the Telluride R-1 School District (TAHG Section 102.1).
- (2) I qualify under the General Policy Goal as an individual who meets the specific economic means tests applicable to the proposed deed restricted unit purchase (TAHG Section 102.2).
- (3) I qualify under the General Policy Goal as an individual for whom a deed restricted unit would assure affordable home ownership, enabling me to secure housing for the long term as I build and maintain a local business within the boundaries of the Telluride R-1 School District (TAHG Section 102.3).
- (4) I qualify under all eligibility standards for purchase of a Town of Telluride deed restricted unit *except* for Minimum Household Size for the proposed unit’s three-bedroom unit type (TAHG Section 203.4).
 - a. The current unit-type classification of the proposed unit is a “three-bedroom,” however, the “third” bedroom fails to meet the Town of Telluride’s building code definition of a “bedroom” because the room designated as the “third” bedroom has only one means of ingress/egress (i.e., the room lacks a second means of egress such as a window or second entry door);

- b. I have submitted requests to both the Town of Telluride's Planning Department and the Town of Telluride's Legal Department seeking unit-type reclassification for the proposed unit, and I am currently awaiting feedback from each of these departments; and
 - c. Assuming unit reclassification by the relevant Town department(s), I would seek all necessary approvals from the Town of Telluride and the relevant homeowners' association to remove the two walls and single door that were erected within the unit's living room to create the non-conforming "third bedroom" - thereby conforming the proposed unit to its building code status as a "two bedroom" unit.
- (5) I respectfully request this Exception on two bases, both of which may apply:
- a. The Exception is requested based on the fact that: (i) notwithstanding the unit's current three-bedroom classification, the unit's actual physical configuration is in fact a "two bedroom" unit-type under the applicable building code; (ii) my Household Size does qualify me to purchase a deed restricted unit with a "two bedroom" unit-type classification; and (iii) I do meet the specific economic means tests that are applicable to the proposed unit. Accordingly, I respectfully request permission to purchase the proposed unit.
 - b. The Exception is also requested based on the fact that notwithstanding my Household Size, such Household Size should not disqualify me from purchasing the proposed unit because: (A) I do meet the specific economic means tests that are applicable to the proposed unit; (B) I do meet the General Policy Goals of the TAHG; and (C) I do meet multiple review standards required for Exceptions. Accordingly, I respectfully request permission to purchase the proposed unit.
- (6) Granting the requested Exception on either basis protects the long-term affordability of the proposed unit through a price control (TAHG Section 108(C)(1)).
- (7) Granting the requested Exception on either basis promotes and recognizes my long-term commitment to residency, employment and community involvement within the boundaries of the Telluride R-1 School District (TAHG Section 108(C)(2)).
- (8) Granting the requested Exception on either basis enables me to own and occupy a unit so that I am able to avoid the perennial prospect of being displaced from rental housing (as I am currently experiencing with the sale of the unit I have rented for the past two years) and having to seek housing in a market with shrinking rental housing supply. Ownership is more suitable to my Household's needs, as it allows me to live in long-term close proximity to my local business and focus on growing that business (TAHG Section 108(C)(5)).
- (9) Granting the requested Exception on either basis is consistent with the Town of Telluride's Land Use Code because it effectively conforms the proposed unit to its actual building code status (TAHG Section 108(C)(6)).

SAN MIGUEL REGIONAL HOUSING AUTHORITY

820 Black Bear Road, Unit G-17 P.O. Box 840, Telluride, CO 81435
Tel: 970-728-3034 Fax: 970-728-5371; e-mail: smrha@telluridecolorado.net web: www.smrha.org

TO: THA Subcommittee
MEETING DATE: May 16, 2014
FROM: SMRHA
DATE: May 13, 2014

RE: Jon and Lela Martin exception request
ATTACHMENTS: Exception application & other construction Info.

Purpose

Consideration of a request by Jon and Lela Martin to change the unit size of Gold Run Lot 3B also known as 950 E. Colorado Ave. and receive a new price. This item is not covered in the Telluride Affordable Housing Guidelines (TAHG) and requires several other steps before they can begin construction.

Overview

Jon and Lela Martin (Applicants) won the Gold Run Lottery and purchased the Tier 2, 2 bedroom unit on Lot 3B. They are currently interested in pursuing the expansion of their unit, in height, in order to gain more livable space, including changing the unit to a 3 bedroom unit.

This unit is part of a 2-unit condominium (the other unit being the Gold Run Early Education Facility), and in order for the project to move forward several approvals would be required. The first approval necessary is for THA to determine if the unit's expansion and associated exception is acceptable. Provided THA approves the expansion and exception, the next step would be a review by the San Miguel Community Facilities Inc. (SMCF) (owner of the Early Education Facility) to determine their interest in either co-applying for a PUD application, and amending or eliminating the condominium plat for the shared Lot 3, to allow the expansion to be proposed to the Town boards. Provided SMCF is supportive of the proposal, the Applicants can then apply to Planning and Zoning and HARC simultaneously.

The THA subcommittee recently approved a change in unit size, with continued affordability as a priority. The unit was targeted for 105% AMI and priced at 106% AMI as a 2 bedroom unit for a 2 person household based on the AMI's for 2010. The 3 bedroom units were targeted at 120% AMI for a 2.5 person household, with pricing that averaged out to 119% AMI and an average of \$355,000. The addition they Martin's are contemplating would make this a 3 bedroom unit.

Current AMI's/ Unit Pricing for 3 bedroom unit 2.5 Household

| | |
|------|-----------|
| 120% | \$352,906 |
| 115% | \$338,202 |
| 105% | \$308,793 |

In order to maintain affordability a price should be selected and set as the new price. Previously, the THA agreed to meet with owners in 3 years to review the calculations in order to continue to respond to affordability. This means the price can be adjusted up or down. Also, once the addition is completed, capital improvements should not be allowed to be added unless

reviewed by the THA subcommittee prior to the work being done to assess affordability and potential depreciation as well.

Recommended Language for THA Subcommittee

- 1) The THA Subcommittee does not grant an exception to allow an addition to the unit altering it from a 2 bedroom to a 3 bedroom unit because we found no compelling circumstances.

OR

- 2) The THA Subcommittee grants an exception to allow an addition to the unit altering it from a 2 bedroom to a 3 bedroom unit, pending other required approvals, based upon the following compelling reason: (108.C.3) and recommends the following conditions:
 - The new price will be set at (\$338,202), and shall be adjusted based on published AMI's compared to the standard calculation in the Guidelines and recorded deed restriction after being reviewed every 3 years by the THA subcommittee for continued affordability;
 - Any capital improvement will need to be presented to the THA subcommittee for review in order to be added to the price of the unit;
 - The Town Attorney's office shall prepare a document to be recorded regarding the new pricing and the change in how capital improvements will be determined after construction is completed;
 - The applicants shall not begin work on the addition until all approvals have been acquired as required.

Section 102 GENERAL POLICY GOALS

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- 102.3** Many of the Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for both the current Household occupying the Housing Unit and for the long-term affordability of the Housing Unit in the future as part of the overall housing program of the Town of Telluride and the Telluride Housing Authority.
- 102.4** These Guidelines are intended to provide for clear, fair and consistent administration of the housing programs to which they apply. It is recognized that there are individual Households or Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception, Appeal and Grievance processes have been included in the Guidelines.
- 102.5** **DISCLAIMER:** The Town of Telluride expressly disclaims any and all warranties, express or implied, including without limitation fitness for a particular purpose

with respect to the provision of Housing Units. The Town of Telluride does not represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any Housing Units pursuant to these guidelines or under any other programs. No applicant may rely upon any promise implied or express that Housing Units shall be constructed, financed or otherwise produced, in whole or in part, by the Town of Telluride. In no event shall the Town of Telluride be liable to any applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

Section 108 EXCEPTIONS, APPEALS AND GRIEVANCES

- c. **Standards for Review of Exception applications:** Applicants desiring an Exception should demonstrate and the THA Subcommittee must find that the Exception meets one or more of the following review standards:
1. Promotes greater affordability through:
 - i. decreasing the long term operating and maintenance costs of the Housing Unit in question;
 - ii. enabling the Applicant to take advantage of a financing opportunity that would not be available without the Exception; and/or,
 - iii. protecting the long term affordability of the Housing Unit through a price control or other similar means;
 2. Promotes or recognizes long term commitment of the Applicant to residency, employment and community involvement within the boundaries of the R-1 School District or provides housing for a critical community need;
 3. Provides increased livability or durability in materials, finishes, fixtures or appliances or useful increased square footage (which shall not include "luxuries" or significantly exceed standards set in recent Town-constructed Housing Units);
 4. Creates living space for an additional member of the Household while maintaining the income targeting for the Housing Unit;
 5. Enables a Household to own and occupy a Housing Unit more suitable to the Household's needs;
 6. Meets currently adopted Town of Telluride Goals and Objectives, or Land Use Code or Master Plan provisions related to Affordable Housing; and/or,
 7. Enables the Household to respond to life circumstances that arise beyond the reasonable control of the household (such as need to care for an Elderly or Disabled Household member).

In addition, all Exceptions must meet the General Policy Goals described in Section 102 above.

SAN MIGUEL REGIONAL HOUSING AUTHORITY

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Telluride Affordable Housing Guidelines

Exception Application

Instructions:

As stated in Section 108 of the ***Telluride Affordable Housing Guidelines (Guidelines)***, you may apply for an exception to the criteria in the Guidelines by stating your case in writing and paying a **\$25.00 application fee**. Please submit this fee with your Exception Application, by check payable to the SMRHA. The THA Subcommittee and/or the Telluride Housing Authority Board will consider your Exception Application at a public meeting. You must also submit a ***Release and Waiver*** with your Exception Application.

Applicant's Statement:

Applicant's Statement:
I/We understand and acknowledge the criteria in the Guidelines and believe that there are legitimate and compelling reason(s) why I/we should be exempt; and

I/We submit that the following is a true statement describing the reason(s) why an exception to the Guidelines is appropriate in my/our case, including the relevant specific section(s) of the Guidelines, if possible (please print neatly, type, or attach a separate sheet of paper):

Signature _____

Jonathan R Martin

5-9-14

Date

Signature Del J. Martin

Lela J Martin

5-9-14

Date

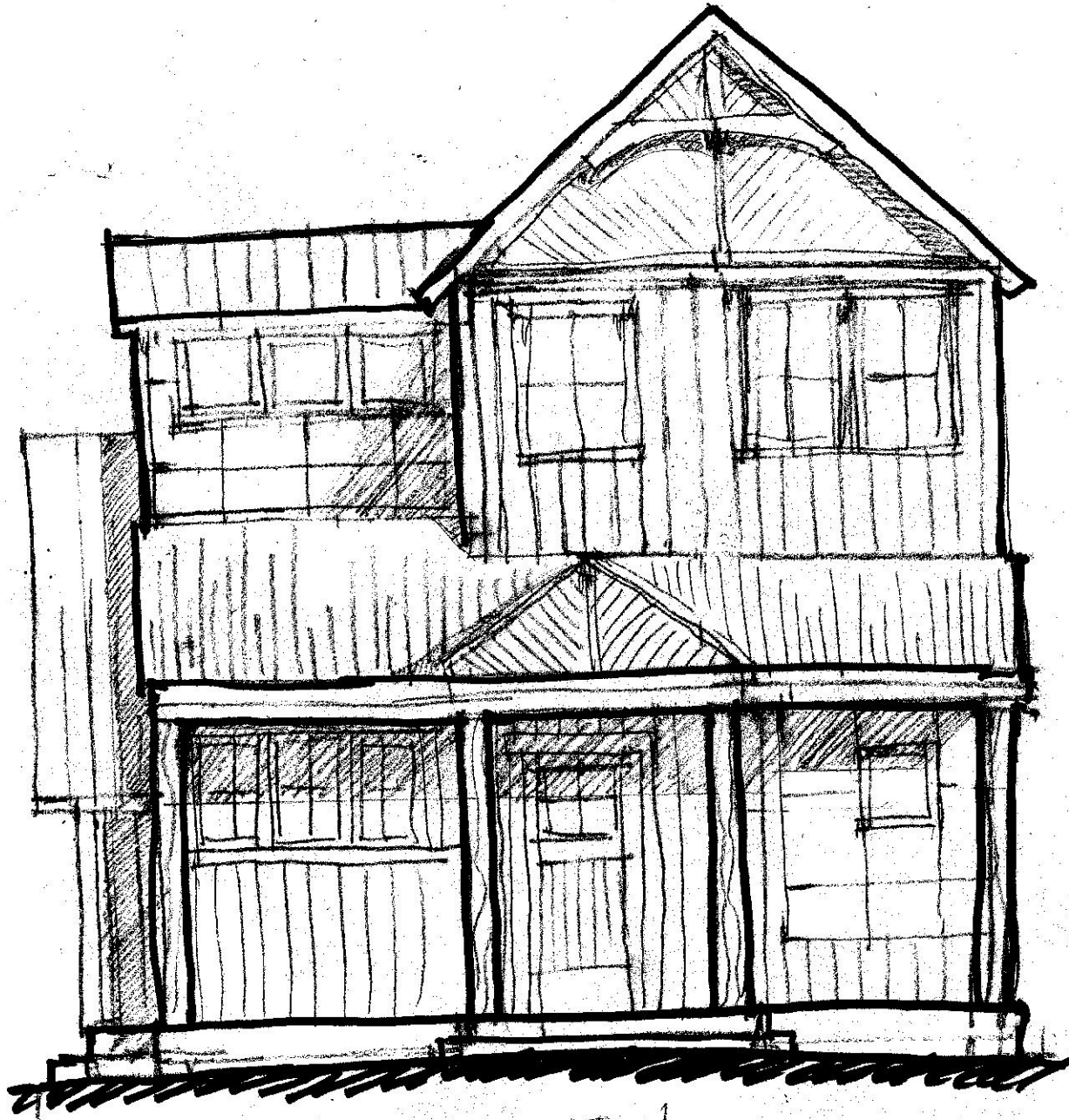
As owners of 950 E Colorado, we have submitted this exception application as we meet criteria under Section 108 for the following reasons.

We are currently in a 2 bedroom home with one working from home, sharing office space in our daughter's bedroom and hoping to have another child. We are seeking an exception to add an additional 452 sq. ft. to add another bedroom, thus making the existing 2 bedroom a 3 bedroom home.

If granted a bit more room to grow vertically, we will make this unit more livable and ultimately provide a nicer home that will remain in the affordable housing market, thus providing more deed restricted livable square feet in town.

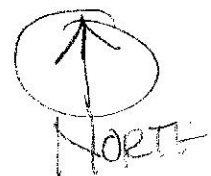
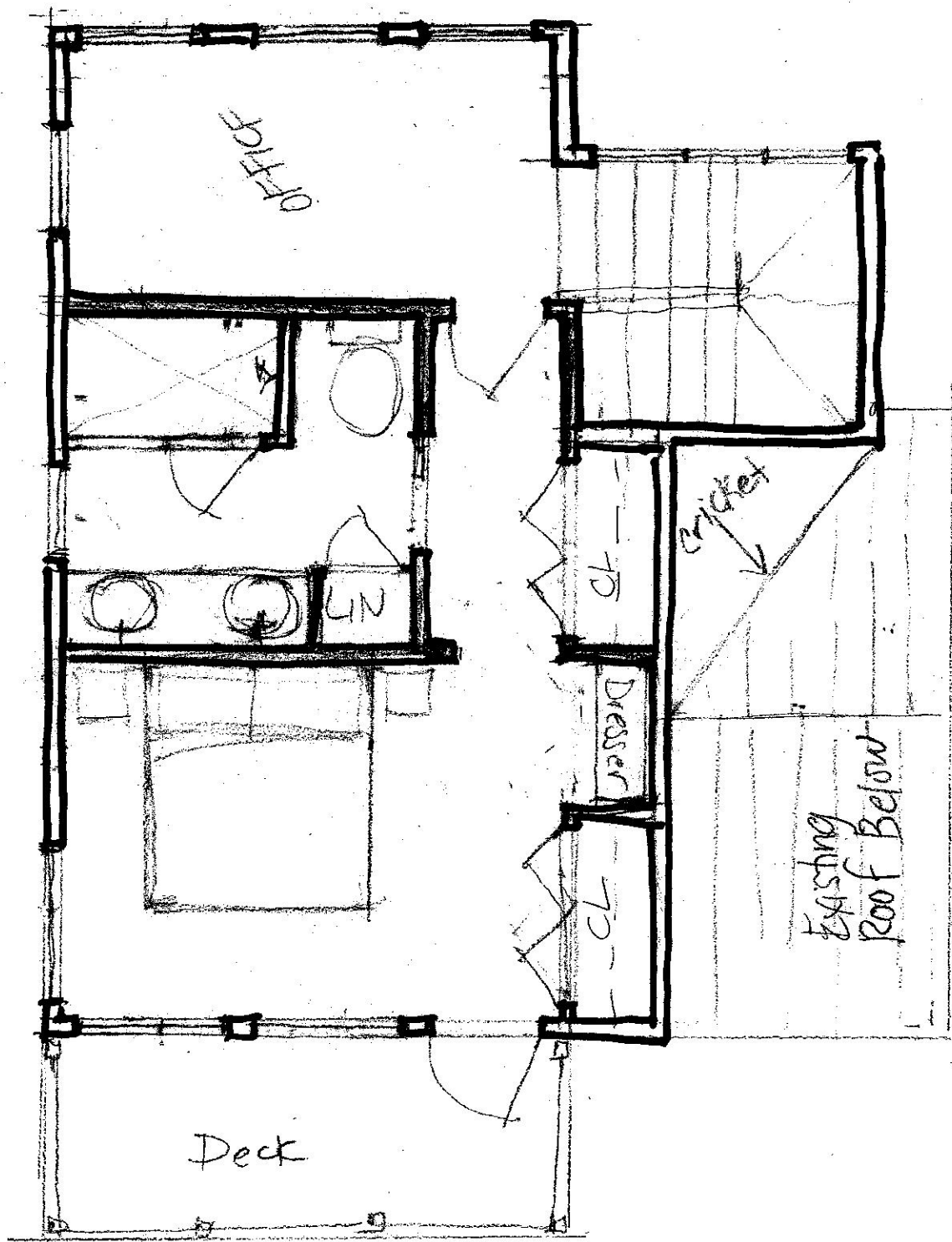
We have made this neighborhood our home and have developed close relationships here, we don't want to have to move and be uprooted from our connections because our current space is not quite meeting our growing household needs.

We are working with the original architect to ensure the home design is similar to the original and ties in with the neighborhood. Furthermore, with the additional space, the roofline will become more uniform with the existing homes in the neighborhood.



NORTH ELEVATION

S.S.14
RANI GURAM ARCHITECTS



5.5.14
Rani Guram Architects